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FM AMEMBASSY ULAANBAATAR
TO RUEHC/SECSTATE WASHDC PRIORITY 1337
INFO RUEHUL/AMEMBASSY SEOUL 2867
RUEHKO/AMEMBASSY TOKYO 2584
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RUEHMO/AMEMBASSY MOSCOW 1850
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RUCPODC/USDOC WASHDC 1340
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RUEATRS/DEPT OF TREASURY WASHDC
RUEKJCS/SECDEF WASHDC
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SUBJECT: Mongolian Government Survives Confidence Vote, Opposition Walks Out

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11. (U) Mongolia's coalition government easily survived a no confidence vote on July 24, winning the vote 46-27. The following day, the Democratic Party (DP), the major opposition party, announced that it intended to boycott the Parliament indefinitely. DP Council Chairman L. Gansukh asserted that the Mongolian People's Revolutionary Party (MPRP)-led government violated the laws several times and was responsible for a recent helicopter accident killing firefighters. Gansukh said that the DP would see what legal action it could take against the government in the courts, since MPs in the governing coalition had shielded the government from accepting political responsibility for these failures. After the Democrats' boycott announcement, Speaker Lundeejantsan cancelled the permission for both the MPRP Caucus leader and DP Council leader to depart for a U.S. parliamentary exchange on July 27, stating that the current political situation did not allow them to be absent. However, the Speaker permitted a mixed party group of five other MPs to participate in the trip.

12. (SBU) Comment: The Democrats have been successful in recent months in picking off individual leaders of the governing coalition, capitalizing on and deepening splits in government ranks; successes have ranged from ministers losing no confidence votes to the resignation of then-Speaker Ts. Nyamdorj in June after it was obvious a number of MPRP MPs had voted against him in a secret vote. However, on the question of the survival of the government itself, all of the coalition MPs hung together. While relaxed quorum rules in recent years eases the impact of the DP boycott, parliament observers note that there likely will be major difficulties in achieving quorums in Standing Committees, through which legislation must pass en route to the plenary session. With very little legislation having emerged from Standing Committees given the political distractions during the four months of the current session, this means little may be accomplished if the Democrats are not lured back. However, the Democrats risk pushing their political fun too far, and may end up being blamed by the public for a "didn't and can't do anything" Parliament. Unfortunately, one of the potential victims of these distractions may be the Oyu Tolgoi copper mine investment agreement between Ivanhoe/Rio Tinto and the GOM, which was scheduled for consideration this week and which now appears to have been referred to committee for reconsideration and possible renegotiation (septel).

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